

Message Text

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ACTION EA-14

INFO OCT-01 NEA-14 ISO-00 EB-11 PRS-01 PA-04 USIA-15 FEA-02

AEC-11 AID-20 CEA-02 CIAE-00 CIEP-02 COME-00 DODE-00

FPC-01 H-03 INR-10 INT-08 L-03 NSAE-00 NSC-07 OMB-01

PM-07 RSC-01 SAM-01 SCI-06 SP-03 SS-20 STR-08 TRSE-00

DRC-01 /177 W

----- 063574

R 100335Z JUL 74

FM AMEMBASSY RANGOON

TO SECSTATE WASHDC 8222

INFO AMEMBASSY BANGKOK

AMEMBASSY DACCA

AMEMBASSY JAKARTA

AMEMBASSY NEW DELHI

AMEMBASSY SINGAPORE

AMEMBASSY TOKYO

AMCONSUL HONG KONG

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E. O. 11652: N/A

TAGS: ENRG BM

SUBJ: BURMESE OFFSHORE OIL CONTRACT

REF : RANGOON 1578

1. SUMMARY. ESSO REPRESENTATIVES EXPECT TO SIGN OFFSHORE OIL EXPLORATION CONTRACT WITH MOC JULY 11, WITH FORMAL GUB APPROVAL AND ANNOUNCEMENT LIKELY WITHIN TWO WEEKS. ESSO EXPECTS TO DRILL FIRST WELL IN MID-1975 AND PLANS TO BRING 3-4 FAMILIES TO RANGOON. END SUMMARY.

2. ESSO HAS VIRTUALLY COMPLETED NEGOTIATION OF OFFSHORE OIL EXPLORATION CONTRACT WITH MYANMA OIL CORPORATION AND EXPECTS TO SIGN

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CONTRACT JULY 11. GUB FORMAL APPROVAL AND ANNOUNCEMENT SHOULD

FOLLOW WITHIN A WEEK OR TWO.

3. ESSO REPRESENTATIVES DECLINED TO IDENTIFY PRECISE AREA ALLOTTED TO ESSO, BUT IT APPEARED FROM THEIR REMARKS THAT ESSO WOULD RECEIVE SOME OF HIGHER NUMBERED MARTABAN BLOCKS. THEY NOTED THAT MOC APPEARS TO BE SAVING LOWER-NUMBERED BLOCKS IMMEDIATELY SOUTH OF IRRAWADDY DELTA TO EXPLORE ON ITS OWN.

4. ESSO DOES NOT EXPECT TO SPUD FIRST WELL UNTIL MID-1975. DECISION ON HOW MUCH, IF ANY, SEISMIC SURVEYING WILL PRECEDE DRILLING MUST AWAIT COLLATION OF SEISMIC DATA WHICH ESSO WILL RECEIVE FROM MOC AFTER

CONTRACT IS SIGNED AND APPROVED BY GUB. ESSO HAS OPTION ON READING AND BATES OFFSHORE RIG CURRENTLY DRILLING FOR MOC, WHICH WILL BECOME AVAILABLE NEXT YEAR. ESSO HAS NOT DECIDED DEFINITELY WHETHER TO TAKE UP OPTION AND IF IT DOES, WHETHER THAT RIG WILL BE USED FOR ITS BURMA OPERATIONS.

5. ESSO REPRESENTATIVES EXPRESSED DOUBTS ABOUT PRACTICALITY OF DRILLING DURING JUNE-SEPTEMBER MONSOON. EARLIER, REPRESENTATIVE OF OFFSHORE COMPANY (SUBCONTRACTOR FOR JAPANESE GROUP) EXPRESSED SIMILAR DOUBTS ABOUT DRILLING DURING MONSOONS. READING AND BATES RIG HAS DRILLED YEAR ROUND BUT APPARENTLY AT COST OF FREQUENT IDLE DAYS.

6. ESSO MANAGER FOR BURMA IN RANGOON NOW AND PLANS TO STAY. WITHIN NEXT SIX MONTHS, ESSO EXPECTS TO BRING IN TOTAL OF 3-4 FAMILIES.

7. ESSO REPRESENTATIVES SAID THEY HAD IMPRESSION ARCO LIKELY TO BE NEXT COMPANY CALLED. EMBASSY HAS HEARD SIMILAR REPORTS FROM LOCAL SOURCES.

8. ESSO REPRESENTATIVES DISCLOSED ABOVE INFORMATION TO EMBASSY IN CONFIDENCE, AND IT SHOULD BE HELD WITHIN USG UNTIL AGREEMENT APPROVED AND ANNOUNCED BY GUB. IF QUERIED BY OTHER COMPANIES OR OUTSIDERS, SUGGEST ADDRESSES MERELY SAY THAT WE UNDERSTAND MOC AND ESSO MAKING GOOD PROGRESS TOWARD FINAL AGREEMENT BUT THAT WE DO NOT KNOW EXACTLY WHEN DEAL WILL BE FINALIZED. OSBORN
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM PRODUCTION, EXPLORATION, OFFSHORE OIL FIELDS, CONTRACTS, BUSINESS FIRMS, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 10 JUL 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: shawdg
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974RANGOO01918
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740183-0079
From: RANGOON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740761/aaaacadd.tel
Line Count: 107
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: RANGOON 1578
Review Action: RELEASED, APPROVED
Review Authority: shawdg
Review Comment: n/a
Review Content Flags:
Review Date: 09 JUL 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <09 JUL 2002 by boyleja>; APPROVED <25 FEB 2003 by shawdg>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: BURMESE OFFSHORE OIL CONTRACT
TAGS: ENRG, BM, ESSO
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005